KADIPA
KADUNA INVESTMENT PROMOTION AGENCY

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QUARTERLY INVESTMENT REPORT

2ND QUARTER 2022 (APRIL-JUNE)

Introduction

The Kaduna State Government has recognized the urgent need to attract private sector investments to the State in order to help create new jobs, improve living standards and transform the overall economy of the State into a modern and productive Knowledge-based economy. This necessitated the creation of the Kaduna Investment Promotion Agency (KADIPA), a One-Stop Investment Centre for businesses and investments. As part of our duties, we initiate, promote, facilitate & coordinate investments through PPP's, privatisation and commercialization in the State by coordinating all the activities of MDAs in the business environment. KADIPA also promotes the State in the National and International market place to attract domestic and foreign direct investment with a view to exploiting the vast economic potentials in the State.

This is the second edition of our quarterly Investment Report published to the general public for the sake accountability and transparency. The public will be able to keep up with the agency's progress against its yearly Key Performance Indicators (KPI) going forward.

The Economy of the World and Africa: Russia-Ukraine Conflict and its impact on Africa's Economy

The Russia–Ukraine conflict began as the global economy was gradually recovering from the negative effects of the COVID-19 pandemic and as pent-up demand amid persistent gridlock in global value chains stoked a surge in commodity prices, fueling strong inflationary pressures. Russia's invasion of Ukraine and the associated sanctions on Russia have imposed costs and volatility on the global economy, transmitted through three main channels:

I. energy and nonenergy commodity prices

ii. supply-chain disruptions **iii.** financial markets

These have direct and indirect implications for African economies.

Both Russia and Ukraine are key players in the global agrifood market and account for more than 25 percent of the world's trade in wheat, more than half the global trade in sunflower oil, and 30 percent of global barley exports. This dominance poses a major challenge for Africa. In 2020, wheat and maize accounted for 41.6 percent (or $3.5 billion) of Russia's $8.5 billion merchandise exports to Africa. In the case of Ukraine, wheat, maize, and vegetable fats and oils accounted for 58 percent ($3.8 billion) of exports to Africa.

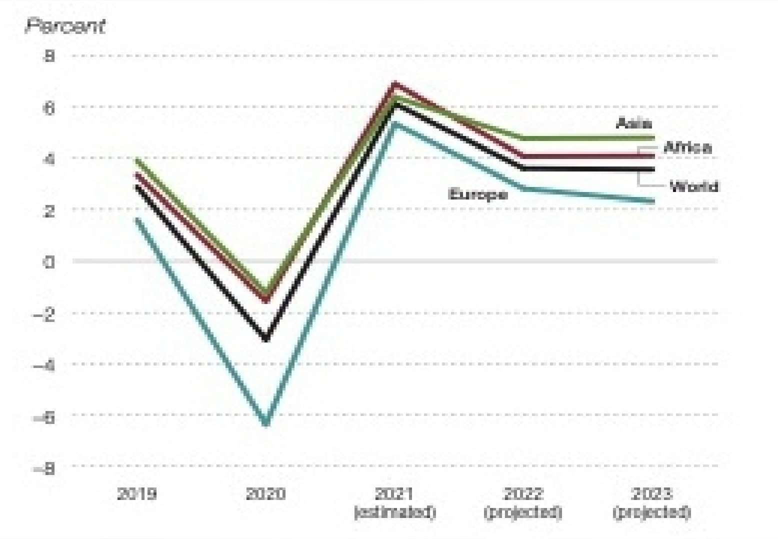
The surge in prices of food, energy, and other commodities will, however, create winners and losers across Africa. Energyexporting countries stand to gain from higher than predicted prices, provided these countries have excess production capacity to respond to the positive price shock and shore up export earnings. For energy and net food-importing countries, higher energy and other commodity prices coupled with prolonged gridlock in global supply chains could exacerbate inflationary pressures. Given that most African countries are net energy importers — as they export crude oil and import refined petroleum products due to lack of domestic refining capacity the overall economic impacts are on the downside.

Indeed, while net oil and other commodity exporting countries could benefit from higher prices, the impact on net energy and commodity importing peers is likely to offset these gains, resulting in higher inflation and constrained economic activity, this could slow economic recovery from the impacts of the COVID-19 pandemic. Net crude oilexporting countries with fuel subsidy regimes could experience fiscal shocks due to the higher price of imported refined petroleum products.Beyond energy and commodity prices, both Russia and Ukraine are significant sources of raw materials such as platinum group elements, nickel, and neon gas, which are critical components for manufacturing parts used in the automotive industry, consumer electronics, and renewable energy devices. For Morocco and South Africa, vehicle production and exports are likely to be constrained by the ongoing global shortages in vital car parts such as semiconductor chips and catalytic converters, while the supply of chip reliant consumer electronic goods might experience some delays and elevated prices.

Key messages

- Africa's GDP grew by an estimated 6.9 percent in 2021—a strong recovery from the pandemic-induced contraction of 1.6 percent in 2020.
- Growth was highest in North Africa (11.7 percent) and East Africa (4.8 percent).
- Macroeconomic fundamentals have generally improved, but considerable challenges remain in the medium term, due largely to the persistence of the pandemic effect and volatility induced by the impact of the Russia–Ukraine conflict.
- Africa's low vaccination rates are constraining faster economic recovery and increasing the health impact of COVID-19.

FIGURE 1.1 Real GDP growth, 2019-23

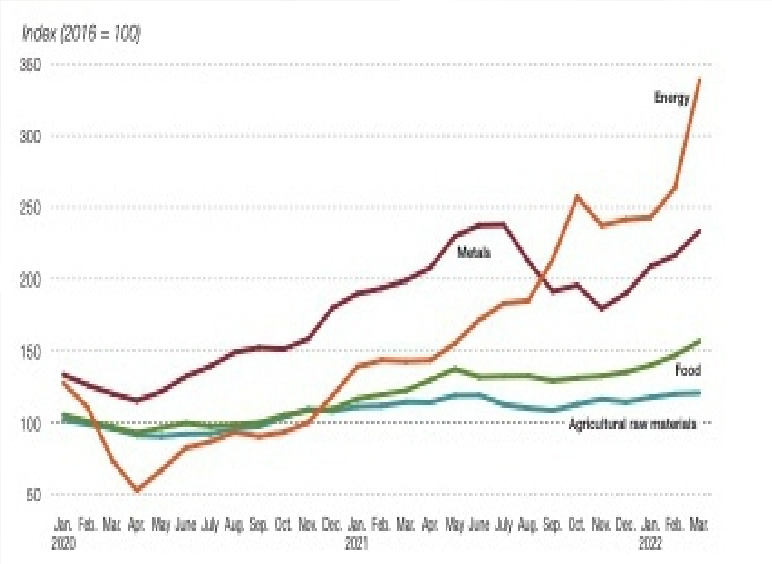


Source: African Development Bank Statistics and World Economic Outlook, April 2022

FIGURE 1.2 Purchasing Managers' Index values for four of the big six economics in Africa, 2017-march 2022

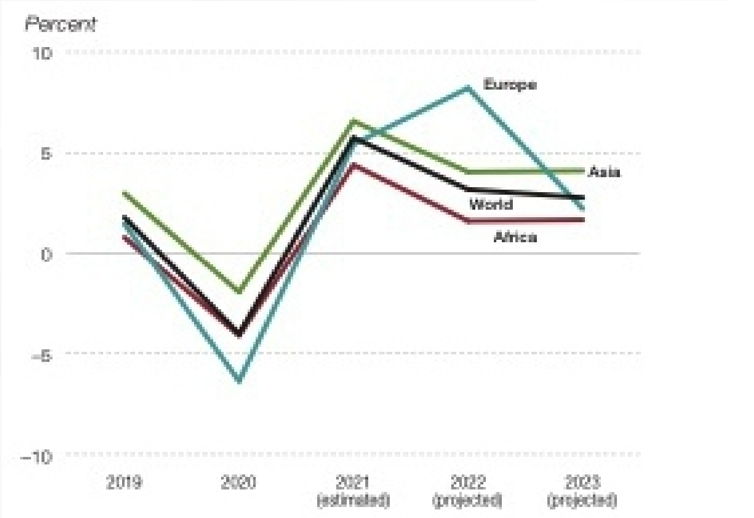
Source: Haver Analytics and IHS Markit

FIGURE 1.4 Global commodity price indices, January 2020 - March 2022



Source: Staff calculations based on the world economic outlook database andd the World Bank Commodity database.

FIGURE 1.5 Real GDP per capita growth, by region 2019-23



Source: African Development Bank Statistics and World Economic Outlook, April 2022 and united Nations Population Division estimates.

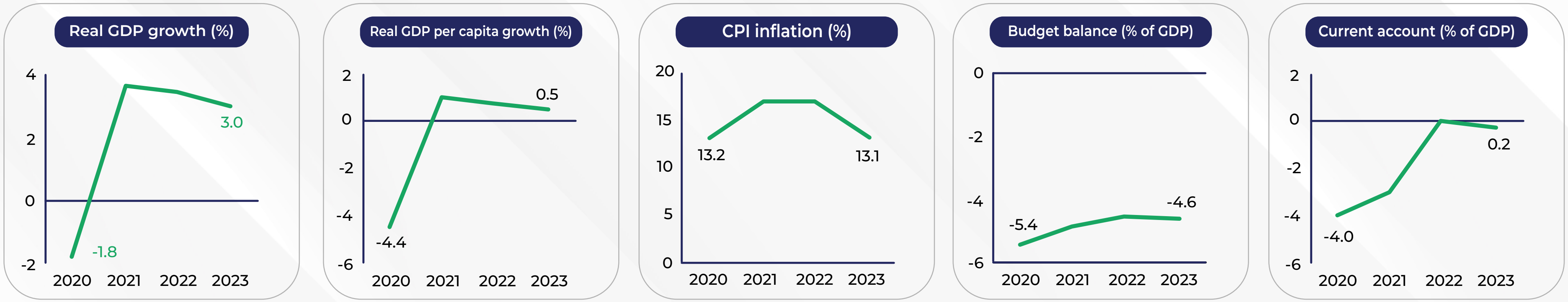
Nigeria Economic Outlook

Recent macroeconomic and financial developments

Nigeria's economy grew by 3.6% in 2021 from a 1.8% contraction in 2020, underpinned on the supply side by 4.4% expansion in the non-oil sector against 8.3% contraction in the oil sector; non-oil growth was driven by agriculture (2.1%) and services (5.6%). On the demand side, public and private consumption were contributors to GDP growth. Per capita income grew by 1.0% in 2021. The fiscal deficit narrowed to 4.8% of GDP in 2021 from 5.4% in 2020, due to a modest uptick in revenues, and was financed by borrowing. Public debt stood at $95.8 billion in 2021, or about 22.5% of GDP. Annual average inflation stood at 17.0% in 2021 against 13.2% the previous year and above the central bank's 6–9% target. Inflation was fueled by food price rises at the start of the year and exchange rate pass-through. The central bank kept the policy rate unchanged at 11.5% in 2021 to support economic recovery. The current account deficit narrowed to 2.9% of GDP in 2021 from 4% the preceding year, supported by recovery in oil receipts. Improved oil exports and disbursement of the SDR allocation of $3.4 billion (0.8% of GDP), pending decision on its use, helped to boost gross reserves to $40.1 billion in 2021. The ratio of NPLs to gross loans was 4.9% in December 2021 (regulatory requirement 5%), while the capitaladequacy ratio was 14.5% (regulatory benchmark 10%). Poverty and unemployment remained high, broadly unchanged from 40% and 33.3%, respectively, in 2020.

Outlook and risks

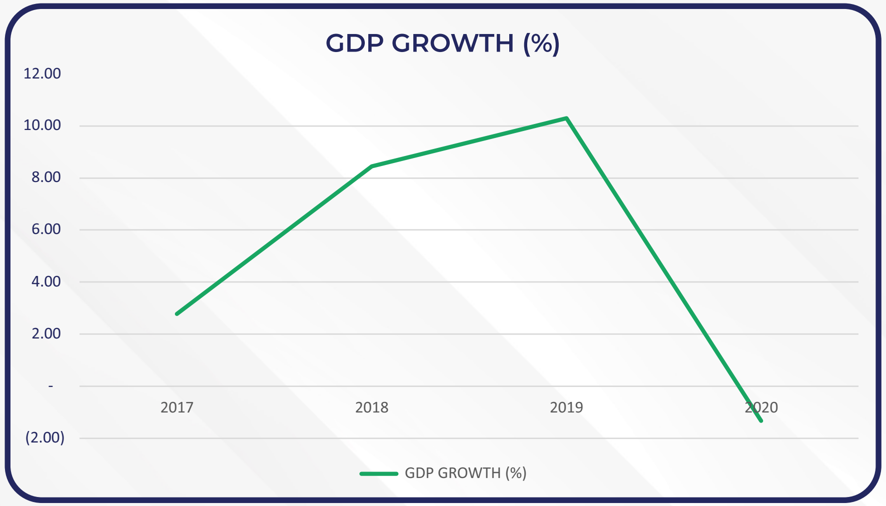
Growth will decelerate, averaging 3.2% during 2022– 23, due to persistent low oil production and rising insecurity. Inflation is projected to remain elevated at 16.9% in 2022 and to stay above pre-pandemic levels in 2023, fueled mainly by rising food, diesel, and gas prices and persistent supply disruptions amplified by the Russia– Ukraine conflict. Capital inflows are projected to recovery, while oil exports are projected to increase slightly. The benefit of a forecast positive oil price shock on exports may, however, be partly offset by a weak output effect due to lower oil production, stoked by infrastructure deficiencies and rising insecurity. The projected marginal current account surplus of 0.1% of GDP in 2022 could turn into deficit of 0.2% in 2023. Improved revenue collection will help narrow the fiscal deficit to an average of 4.5% of GDP. Public debt targeted to reach 40% of GDP by 2024 on fresh borrowing. The headwinds to the outlook may be exacerbated by rising insecurity and policy uncertainty underpinned by reversal of initially planned removal of subsidies on premium motor spirit a year before the 2023 elections.



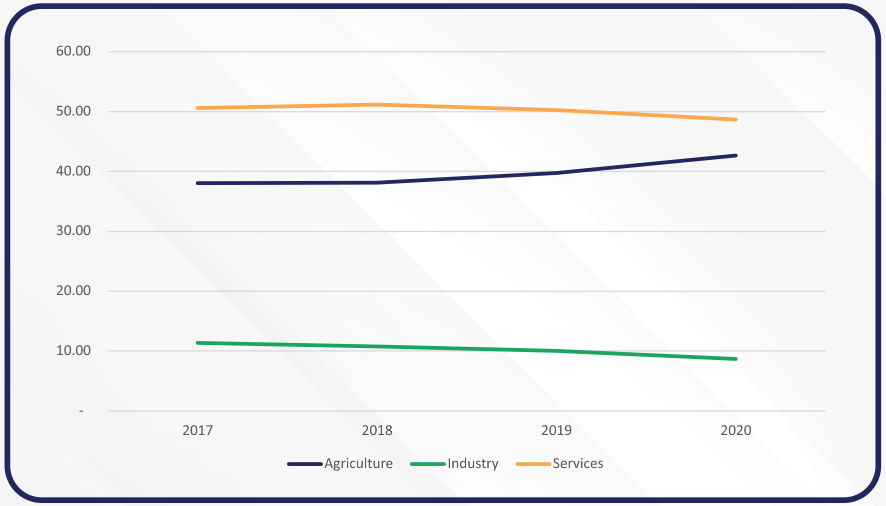
Source: Data are as of April 2022 and are from domestic authorites; figures for 2021 are estimates and figures for 2022 and 2023 are projections by the African Economic Outlook team.

Kaduna State Economic outlook and Performance

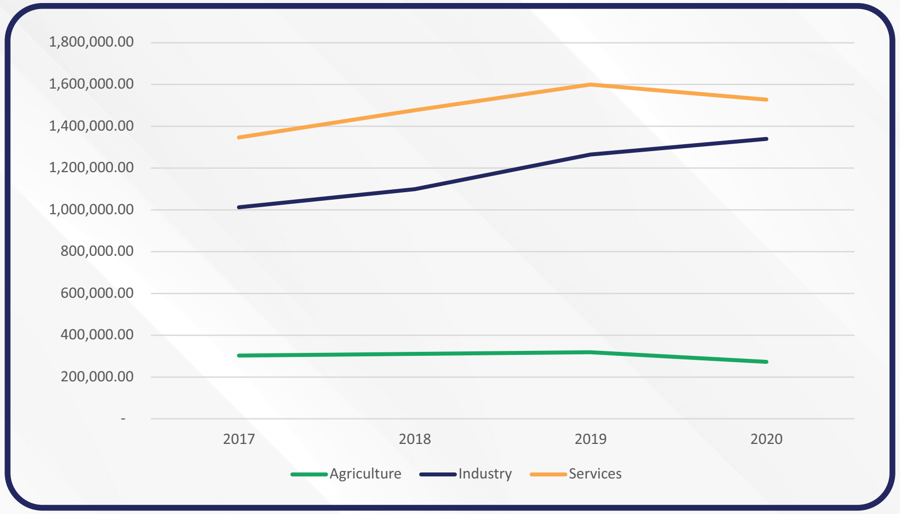
GDP GROWTH (%)



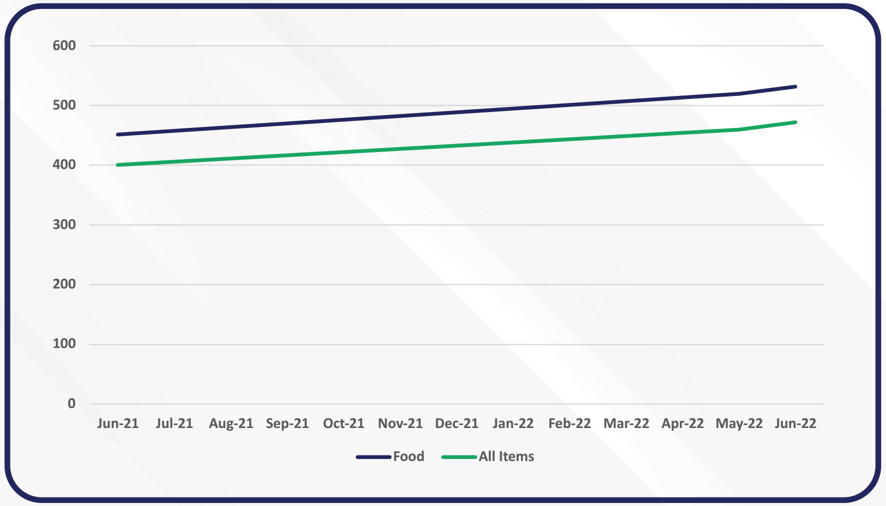
SECTOR CONTRIBUTION TO GDP (%)



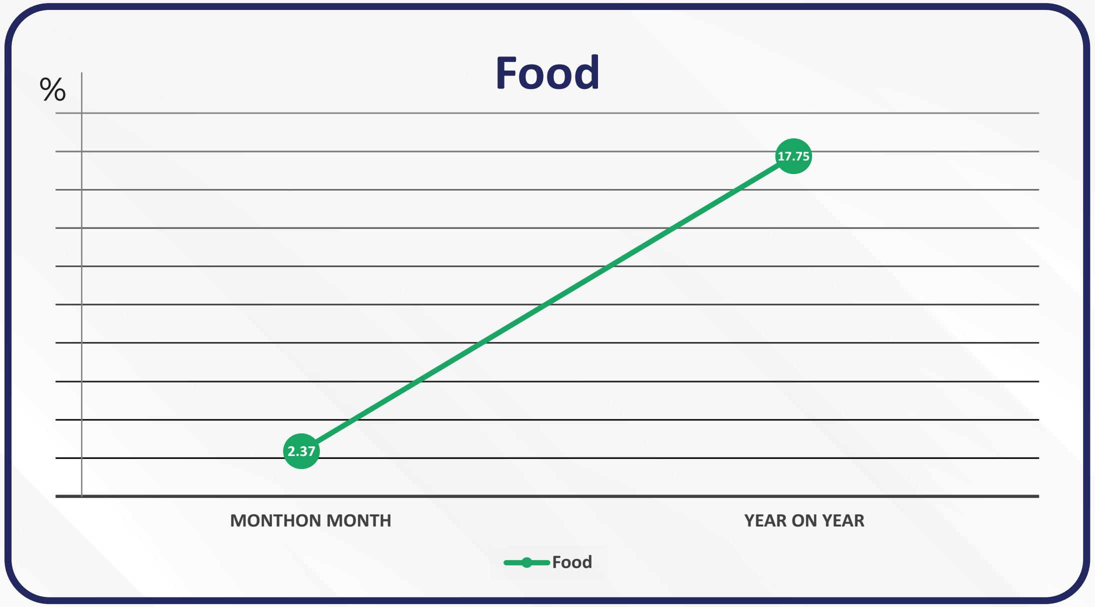
SECTOR CONTRIBUTION TO GDP (MILLION NAIRA)



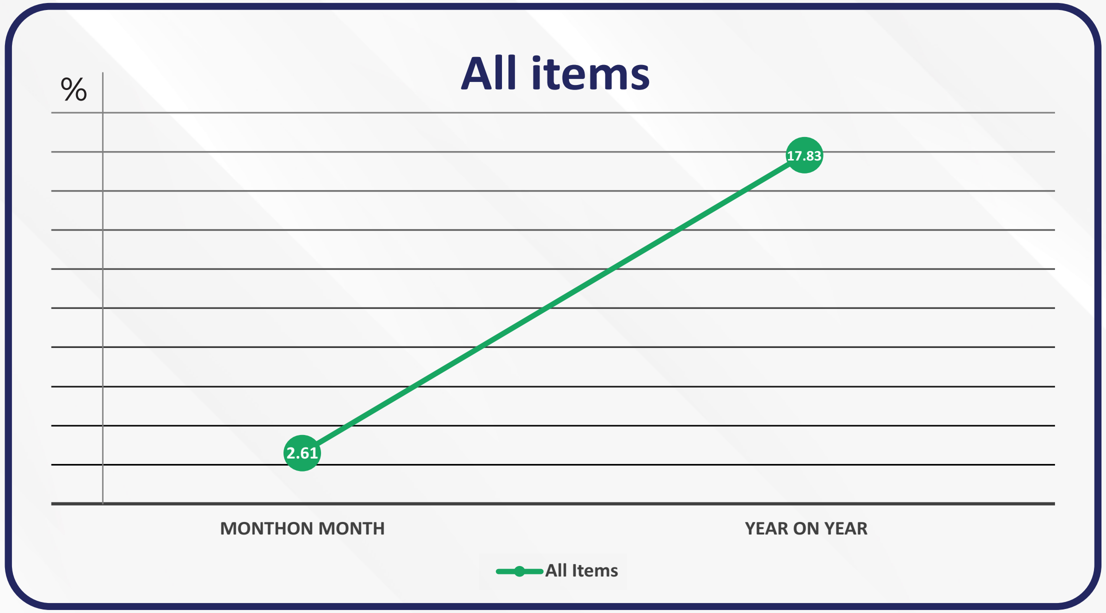
Combined Urban and Rural CPI inflation of food and all items



Combined Urban and Rural CPI inflation Food (%)



Combined Urban and Rural CPI inflation All items (%)



**Source- Kaduna Bureau of Statistics and National Bureau of Statistics

3.0 2022 SET TARGETS (KPIs)

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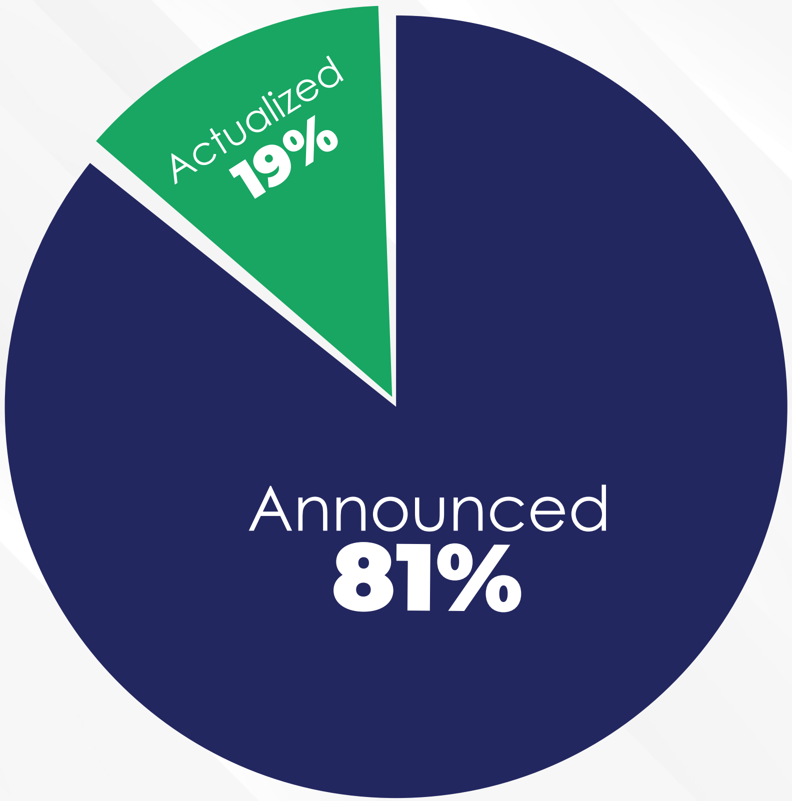
New KPIs and Goals for the Year 2022

- Actualize **$500 million** worth of Investments in kaduna State's Investment Portfolio
- Track the creation of **50,000 Jobs**
- Track the generation of **$10 million** in revenue for the State Government
- Remain **No. 1 subnational** in the Ease of Doing Business Ranking

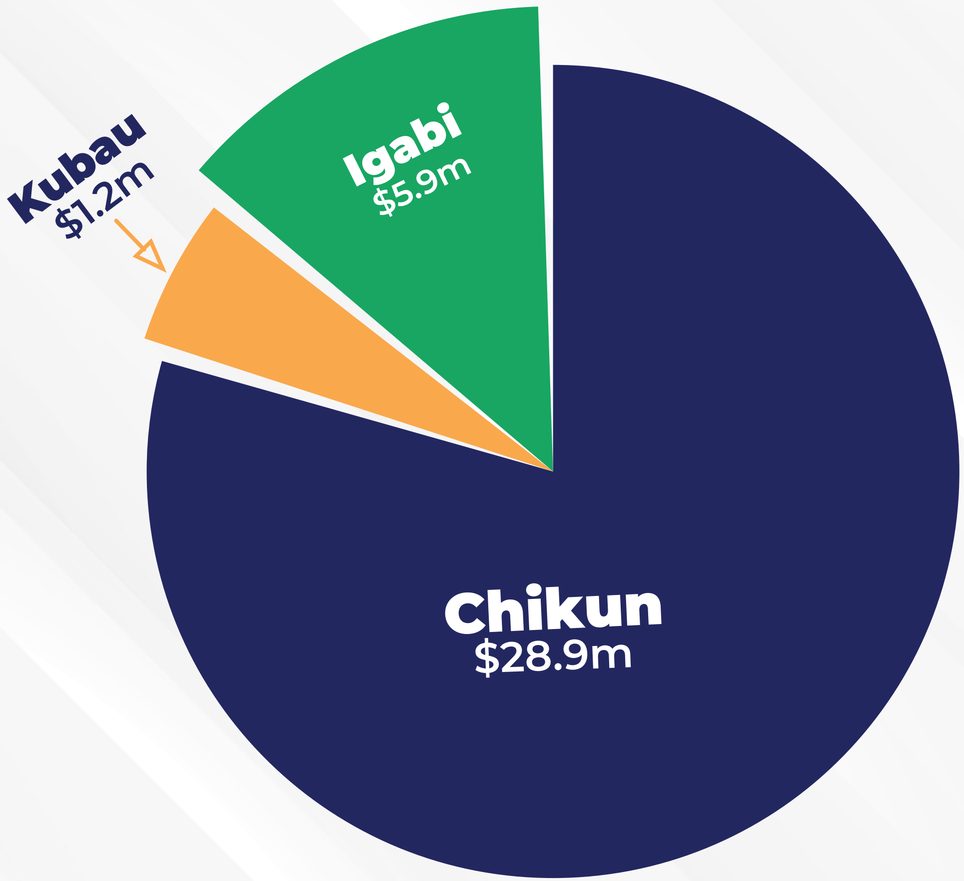
4.0 Investment Portfolio

- As at 1st Quarter 2022, the State's total Investment Portfolio was $4.2 billion.
- 2nd Quarter Investments increased by $148.7 million where $112.7 million were announced investments and $36 million worth of investments were actualized, thus increasing the Investment Portfolio to $4.35 billion representing a 3.6% growth for the quarter.
- The slowdown in growth rate is attributable to the global economic slowdown.

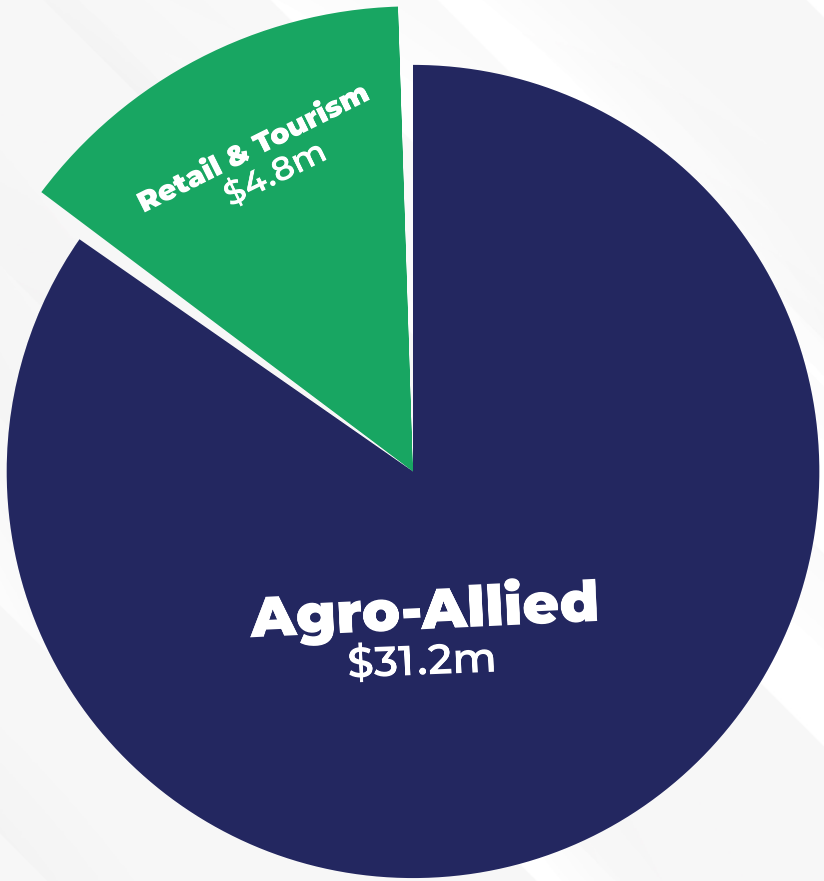


Actualized	$36,024,096.00
Announced	$112,733,157.00
Total	$148,757,253.00

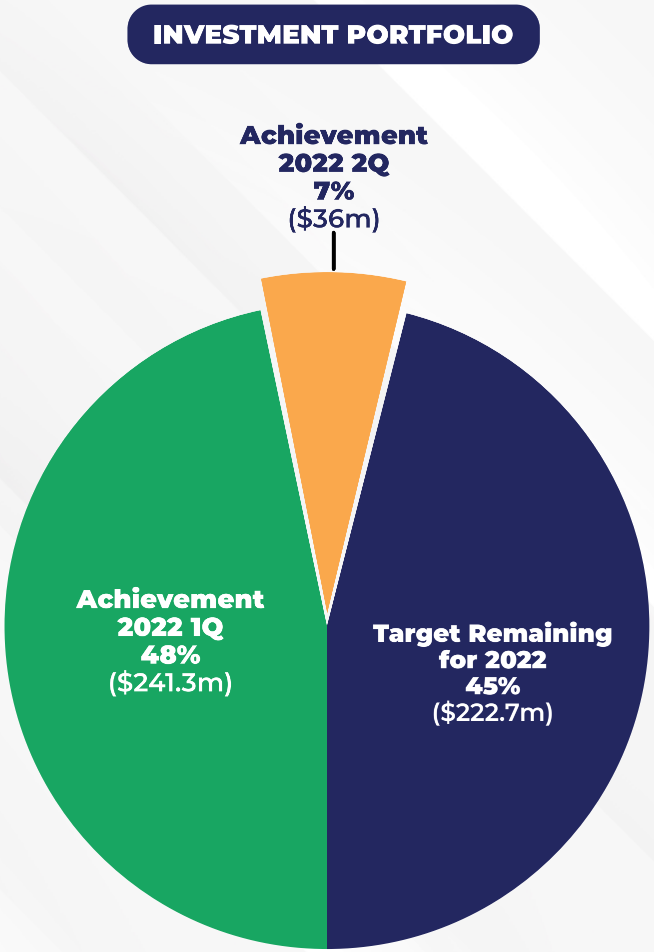
ACTUALIZED INVESTMENTS ACROSS LGA

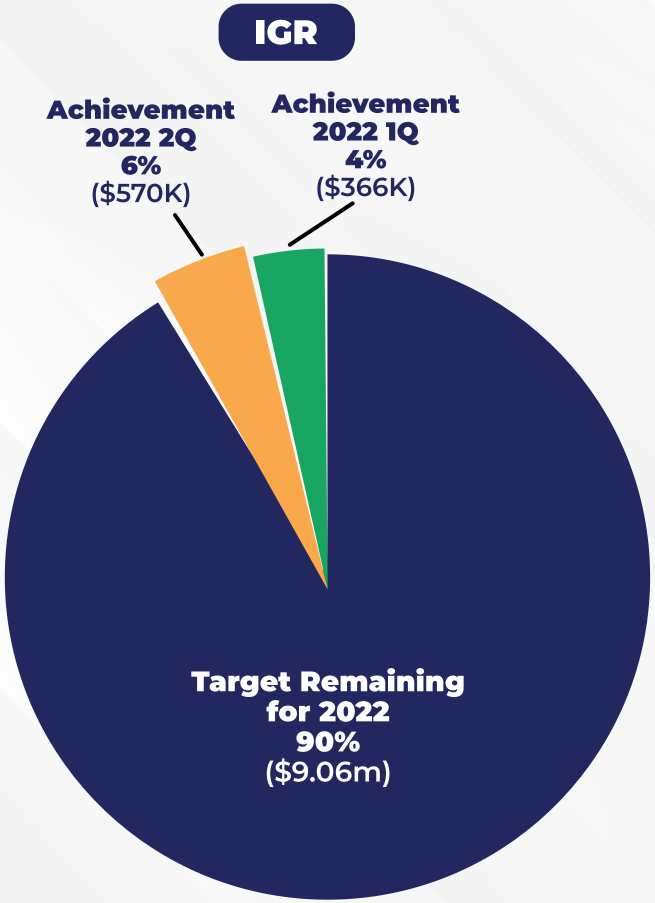


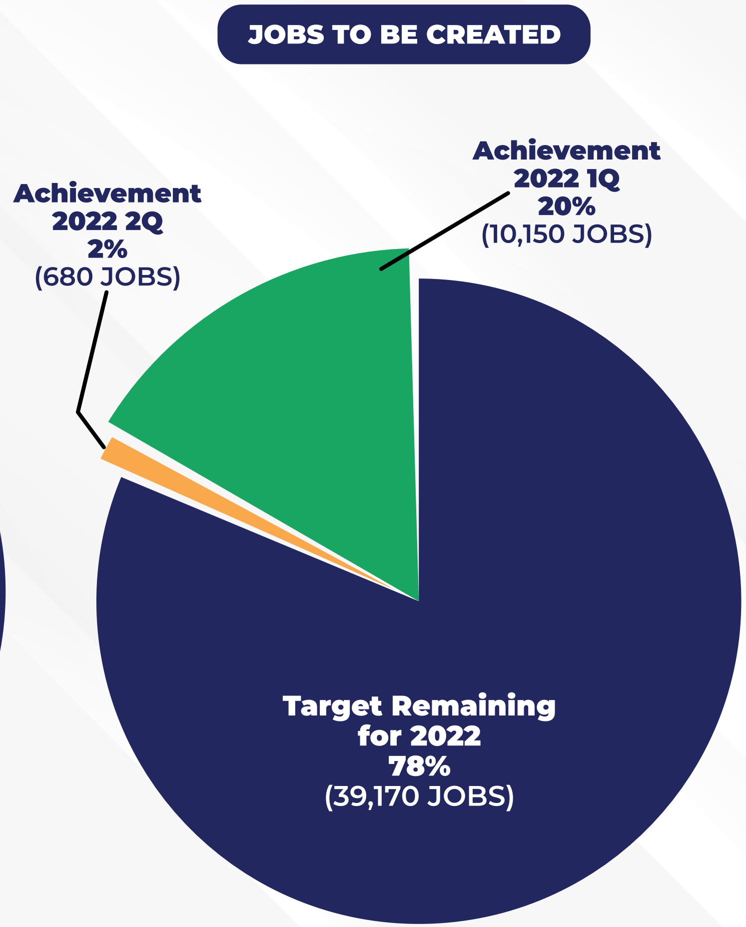
ACTUALIZED INVESTMENTS ACROSS SECTORS



4.0 Performance Review
Targets Vs Achievements







Note: The lackluster performance in jobs created this quarter is as result of the number of investments actualized which as well is attributed to the general global economy slowdown.

Source: Investment Intelligence Department, Kaduna Investment Promotion Agency KADIPA

Annexures

Actualized Greenfield Investments						
S/N	**Company/Investor**	**Project Description**	**Sector**	**LGA**	**Investment Worth ($)**	**No Expected Jobs to be created**
1	**ILLAJ**	FARMING	AGRICULTURE	KANGIMIKACHIA	$361,445.78	210
2	**TAK AGRO LTD. (CHEMICAL AND FERTILIZER COMPANY)**	FERTILIZER PROCUCTION	AGRO-ALLIED	CHIKUN	$28,915,662.65	150
3	**MHA Agriculture**	Application for agricultural farmland	Agro-allied	kubau	$1,204,819.28	70
4	**Umsy**	Request for farmland; to build 3 units (300 tons each) grains storage facility, finished products warehouse, car/trucks park, a mosque and cleaning plant for sesame seed and ginger processing.	Agro-allied	igabi	$722,891.57	150
5	**Kaballi Intergrated Ltd**	Hotels and Restaurants	Retail & Tourism	Igabi	$4,819,277.11	100
				TOTAL	**$36,024,096.38**	680

Announced Greenfield Investments				
Company/Investor	**Project Description**	**Sector**	**Quarter**	**Investment Worth**
Danfalalu industries	DAIRY AND BEEF PRODUCTION	AGRO-ALLIED	2nd	$39,518.07
Terrific Engineering	CONCRETE MANUFACTURING	MANUFACTURING INDUSTRY	2nd	$1,325,301.20
OBAX	GAS HUB	OIL AND GAS	2nd	$740,324.20
YUFA NIG LTD	RICE MILLING AND PROCESSING	MANUFACTURING INDUSTRY	2nd	$533,734.94
JAFCO	FARMING	AGRICULTURE	2nd	$1,204,814.30
TAIRENE INTERGRATED SERVICES	BREAD AND WATER PRODUCTION FACTORY	MANUFACTURING INDUSTRY	2nd	$300,216.86
GOLDEN QUANTITIES ASSOC. LTD	HOUSING ESTATE	REAL ESTATE	2nd	$5,060,240.96
ISIYAKA BROTHERS NIG LTD	ROOFING SHEET FABRICATION AND MANUFACTURING	MANUFACTURING INDUSTRY	2nd	$1,204,814.00
FODIOS.G AND SOND LTD	NAIL MANUFACTURING	MANUFACTURING INDUSTRY	2nd	$2,324,192.80
Dornier	Aviation Training school	Transport	2nd	$100,000,000.00

THANK YOU